



Real Estate Monthly

Kandice Rienstra
For all your Real Estate needs
SALES REPRESENTATIVE

Tel: (905) 666-1333 / Toll Free: (866) 273-1333
dbldutch@rogers.com www.movetogta.com



Residential Transactions In Durham Increase Year-Over-Year

Durham Region Association of REALTORS® (DRAR) President Dennis Roberts reported 794 residential transactions in July 2018, a 6 per cent increase on a year-over-year basis from 749 in July 2017, and a 13.5 per cent decrease from June 2018.

“As we edge closer to the end of the summer, we may experience a return to a traditionally quieter summer market,” said Roberts. July saw the number of new listings in Durham decrease on a month-over-month basis to 1,675 down from 1,895 new listings in June.

The average selling price in Durham reached \$584,131 last month, a 4.35 per cent decrease from the \$610,728 average

selling price in June, but a 2.52 per cent increase over the average selling price during the same period in 2017. “Durham continues to offer the best housing options for buyers and still offers some of the most desirable real estate value in the GTA,” said Roberts. “Market trends indicate that we will be anticipating an increase in activity again in the fall.”

DRAR is excited to announce that the 2nd Annual Land Planning Information Session will be held at REALTOR® Connect, Durham Region’s largest real estate trade show. In its fifth year, DRAR is hosting REALTOR® Connect on Wednesday, September 19th at Deer Creek Golf & Banquet Facility.



July Average Selling Price

Area	Avg. Price	Single Detached	Semi-Detached	Condo/Townhouse	Condo Apt.	Link	Attached Row
Durham	\$584,131	\$647,014	\$471,884	\$409,164	\$406,141	\$533,649	\$522,054
Ajax	\$644,115	\$723,095	\$576,178	\$453,428	\$366,786	-	\$559,516
Brock	\$534,553	\$534,553	-	-	-	-	-
Clarington	\$548,834	\$616,559	\$404,200	\$402,238	\$349,515	\$503,388	\$427,640
Oshawa	\$485,508	\$535,153	\$414,567	\$324,395	\$294,071	\$442,440	\$442,962
Pickering	\$681,069	\$793,460	\$584,778	\$473,787	\$464,464	\$605,000	\$681,790
Scugog	\$637,521	\$643,367	-	-	-	\$552,750	-
Uxbridge	\$666,190	\$681,613	-	\$604,500	-	-	-
Whitby	\$633,439	\$725,885	\$497,700	\$408,400	\$458,800	\$590,075	\$529,230



REAL ESTATE NEWS

CMHC moves to make it easier for self-employed to get a mortgage

People who work for themselves often hampered in mortgage market because income is variable, unpredictable

Self-employed Canadians seeking to buy a home may soon find it easier to secure a mortgage after changes announced by Canada Mortgage and Housing Corp.

CMHC said self-employed people make up about 15 per cent of Canada's population, but they may have difficulty qualifying for a mortgage because their incomes may vary or be less predictable. Changes unveiled last week by the federal mortgage insurance agency are aimed at giving lenders more guidance and flexibility when it comes to self-employed borrowers.

In the changes, CMHC said several factors could be used in future to support a lender's decision to give a mortgage to self-employed borrowers who have been operating their business for less than two years or have been in the same line of work for less than two years.

CMHC said those factors could include things such as:

- Acquisition of an established business.
- Sufficient cash reserves.
- Predictable earnings.
- Previous training and education.

CMHC said that previously, those types of applications could be accepted, providing that a "solid rationale" was noted in the lender's loan file.

Document options

Additionally, the housing agency also laid out a broader range of document options that could be used to satisfy income and employment requirements to qualify self-employed borrowers for a loan.

When the changes take effect on Oct. 1, those documents will include such things as a notice of assessment accompanied by a T1 General tax form, a proof of income statement from the Canada Revenue Agency, and a form T2125, which is a statement of business or professional activities.

"These policy changes respond to that reality by making it easier for self-employed borrowers to obtain CMHC mortgage loan insurance and benefit from competitive interest rates," said Romy Bowers, the agency's chief commercial officer, in a statement.

Borrowers who have a down payment of less than 20 per cent of the value of the property they're buying are required to obtain mortgage insurance.

Cynthia Holmes, chair of the real estate management department at Ryerson University's Ted Rogers School of Management, said the main challenge facing self-employed potential mortgage

borrowers today is income documentation, adding that the changes announced seem to increase the flexibility in what lenders can accept.

Young self-employed people

Holmes said she is particularly pleased that CMHC is signalling that they will be more flexible when it comes to potential self-employed mortgage borrowers who have been operating their businesses for less than two years.

"This change could especially help young self-employed people access a mortgage more quickly, which supports innovation and entrepreneurship," she said.

Mortgage comparison website RateSpy.com said the new changes from CMHC will apply to self-employed borrowers who:

- Have a down payment of less than 20 per cent and require high-ratio default insurance.
- Have a down payment of more than 20 per cent and are using a lender that insured all of its mortgages.
- Are switching to a lender that insured all of its mortgages.

RateSpy.com also pointed out that other mortgage default insurers, including Genworth Canada and Canada Guaranty, have programs for self-employed borrowers.

"These insurers have long allowed more liberal proof of income," such as more flexible documentation requirements, RateSpy said in an online post.

"But, unlike CMHC, Genworth and Canada Guaranty require the borrower to have been in business for at least two years, in order to benefit from this flexibility."

